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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

3/087/0058
TASK 2389

October 14, 2008

Coleen Hackwell, Financial Analyst
State of Utah
Office of State Treasurer
E315 State Capitol Complex
Post Office Box 142315
Salt Lake City, Utah 84114-2315

Subject: Authorization for Release of Cash Deposit, Account Number [REDACTED], Release Amount \$20,800.00, Plateau Resources Ltd., Sage Mine, S0370058, San Juan County, Utah

Dear Ms. Hackwell,

Zions Bank is presently holding funds in the amount of \$20,800.00, account number [REDACTED], for the benefit of the State of Utah, Division of Oil, Gas and Mining as a form of reclamation surety for Plateau Resources Ltd. for their Sage Mine.

The Division hereby requests the full release of these funds. Please remit the funds directly to the Division, attention: Minerals Regulatory Program. The mine has been transferred to another operator, which has submitted a new surety.

If you have any questions or require further discussion regarding the content of this letter, please contact Penny Berry, Surety Bonding Coordinator, telephone 801-538-5291 or email bondcoordinator@utah.gov.

Sincerely,

Dana Dean, P. E.
Associate Director of Mining

PBB:vs

enc: Check Receipt Copy

cc: Fred Craft, Plateau Resources
Ted McDougall, Monticello BLM
Opie Abeyta, BLM State Office

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Please be advised that if State Trust Lands are involved, notification to the Division of Oil, Gas and Mining alone does not satisfy the notification requirements of Mineral Leases upon State Trust Lands. Exploration or mining activity on State Trust Lands requires a minimum of 60 days notice to the Trust Lands Administration **prior** to commencing any activities. Please contact the School Institutional Trust Lands Administration (SITLA) at (801) 538-5508 for notification requirements.

8. Does the Entity have legal right to enter and conduct mining operations on the land covered by this notice? Yes X No _____

II. PROJECT LOCATION & MAP (Rule R647-3-105)

1. Project Location (legal description):

County(ies): San Juan

NE 1/4, of SE 1/4, of _____ 1/4: Section: 34 Township: 32S Range: 26E
 _____ 1/4, of _____ 1/4, of _____ 1/4: Section: _____ Township: _____ Range: _____
 _____ 1/4, of _____ 1/4, of _____ 1/4: Section: _____ Township: _____ Range: _____

UTM East _____ (if known) UTM North _____ (If known)

Name of Quad Map for Location: _____

2. Location and Operations maps must be plotted at a scale to accurately identify locational landmarks and operations details. All maps must include a north arrow, a scale, appropriate labels, title box including the mine name, township, range and section.
- a. **Map 1:** The general location map must be the scale of a USGS 7.5 minute series map or equivalent (1"=2000') and identify new or existing access roads.
 - b. **Map 2:** The operations map (1"=200' or other scale as determined necessary by the Division) must be labeled and identify:
 - i. The area to be disturbed;
 - ii. The location of any existing or proposed operations including access roads, drill holes, trenches, pits, shafts, cuts, or other planned activities; and
 - iii. Any adjacent previous disturbance for which the operator is not responsible.
 (Contact the Division for a list of consultants and land surveyors for mapping assistance.)
3. The proposed (5 acre or less) disturbed area (including access/haul roads) should be marked ON THE GROUND with metal T-Posts (or with some other marker of equal effectiveness). Markers should be appropriately spaced (<50 feet) so that the next marker in either direction is clearly visible with the naked eye.

III. OPERATION PLAN (Rule R647-3-106)

1. Type of mining: Surface ☐ Underground ☒
2. Mineral(s) to be mined: Uranium
3. Amount of material to be extracted, moved or proposed to be moved: _____
No mining activity planned at this time.

NOT COMPLETE

4. Will any water, liquid chemicals, reagents, or other solutions be used, produced or discharged as part of the mining or milling process?

Yes ☐ No ☐ If yes, please describe (add extra pages if needed) _____

5. Provide a brief description of the proposed mining operation and onsite processing facilities (add extra pages if necessary). Attempting to complete transfer of property from previous

owner. No mining activity planned at this time. Uranium One will re-evaluate the reclamation and/or operational
conditions and alternatives in the near future.

6. ☐ **New Road(s):** Length _____ (ft) Width _____ (ft)

7. ☐ **Improved Road(s):** Provide a description of the improvements that need to be made to existing roads to access the site, including the Length _____ (ft) and Width _____ (ft) of improvements.

8. Total project surface acreage to be disturbed: _____ (acres) **PLEASE SPECIFY EXACT ACREAGE - (this will be used to determine surety bond amount – see #VI).**

9. Proposed startup date of project (month, year) Unknown

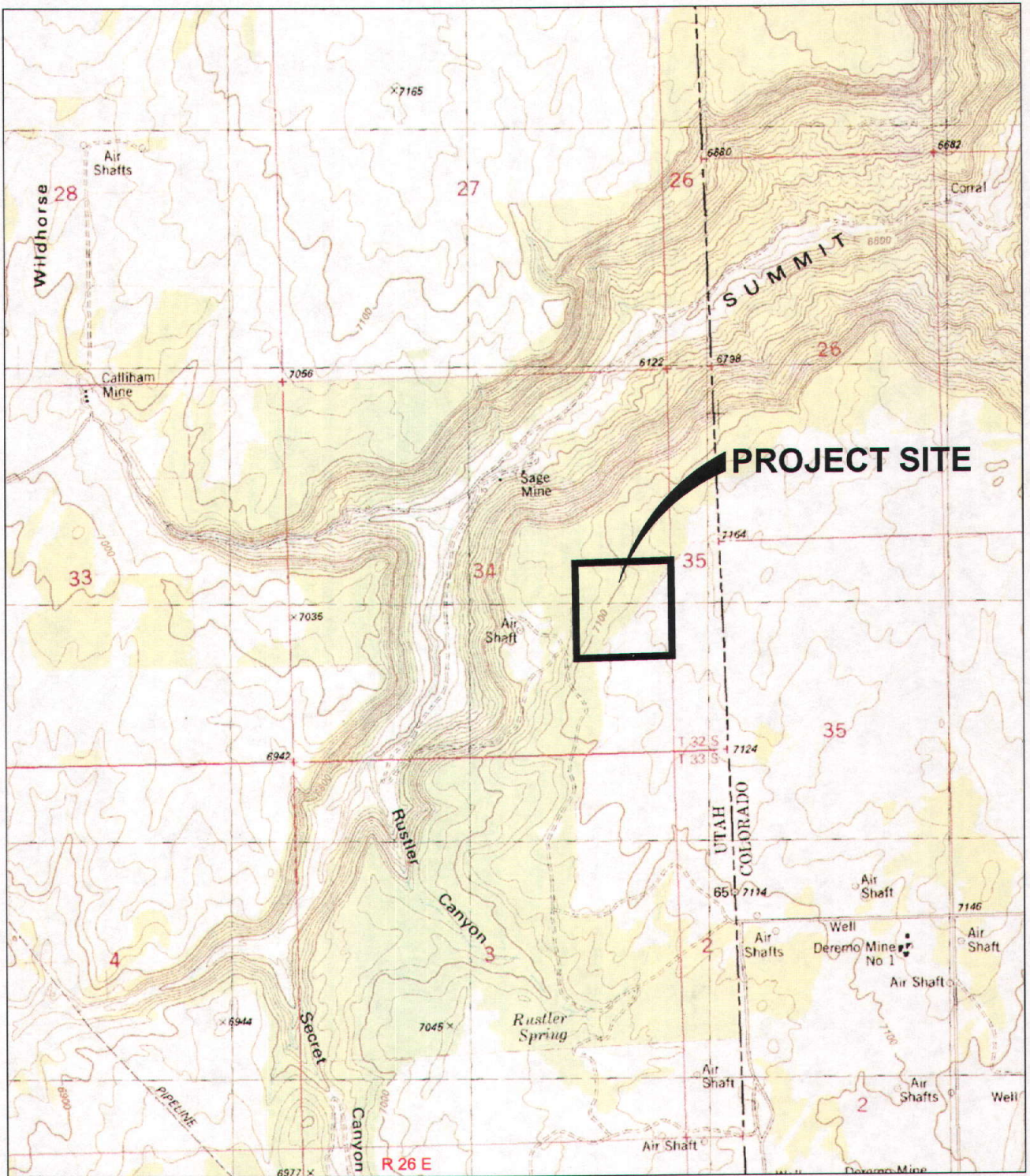
10. Proposed completion date of project, if known (month, year) Unknown

IV. OPERATION AND RECLAMATION PRACTICES (Rule R647-3-107, 108 & 109)

The reclamation and operation obligation is to keep the area clean and safe, minimize hazards to public safety, return the land to a useful condition, and reestablish at least 70 percent of the premining vegetative ground cover. To accomplish this, the Permittee / Operator will need to perform reclamation concurrently, or at the completion (within one (1) year) of mining. Please refer to The Practical Guide to Reclamation in Utah, available at www.ogm.utah.gov.

1. *Keep the mining operation in a safe, clean, and environmentally stable condition.*
2. *Permanently seal all shafts and tunnels to prevent unauthorized or accidental entry.*
3. *Plug drill holes with a five foot cement surface plug. Holes that encounter fluids are to be plugged in the subsurface to prevent aquifer contamination.*
4. *Construct berms, fences, or barriers, when needed, above highwalls and excavations.*
5. *Remove, isolate, or neutralize all toxic materials in a manner compatible with federal and state regulations.*
6. *Remove all waste or debris from stream channels.*
7. *Dispose of any trash, scrap metal, wood, machinery, and buildings.*
8. *Conduct mining activities so as to minimize erosion and control sediment.*
9. *Reclaim all roads that are not part of a permanent transportation system.*

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Source: USGS 7.5 minute Quadrangle, Piute Knoll, Utah, 1985.

NOT COMPLETE



SCALE IN FEET
0 2000

Project No. 181501

July 2007



Figure 1
General Location Map

